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SUBJECT: OMAN-U.S. GULF SECURITY DIALOGUE MAY 27, 2008

Classified By: NEA DAS Richard Schmierer for Reasons 1.4 (b) and (d)

11. (S/NF) Summary: State and DOD officials met with representatives from the Omani MFA and Oman Embassy on May 27 in Washington, DC for the fourth round of the U.S.-Oman Gulf Security Dialogue (GSD). The meeting reinforced the two sides' mutual commitment to the strong strategic relationship, but highlighted policy differences on Iran. Oman firmly believes that engagement "without preconditions" is the best way for the U.S. to deal with Iran. The Omani head of delegation, Sayyid Badr al-Busaidi, also emphasized that Oman does not feel threatened by Iran and questioned whether Iran has an interest in meddling in the internal affairs of other countries. Both sides agreed that the resolution of the Israeli-Palestinian conflict is vital in order to establish a comprehensive regional peace. Oman noted that the recent agreement reached in Doha on the Lebanon conflict was a remarkable development that demonstrated the benefits of "Arabs solving Arab problems." Regarding Iraq, Badr stressed that it is important that Iraq make an effort to engage the rest of the region. While Oman remains supportive of Iraq, Badr stated that Oman is unable to open an Embassy in Baghdad due to the security situation. The Omani and U.S. delegations agreed that cooperation on counterterrorism was strong. Oman expressed an interest in learning more about several counterproliferation initiatives, including efforts to stop technology transshipments, and arms proliferation. END SUMMARY

Participants

12. (U) PM Acting Assistant Secretary Stephen Mull and Assistant Secretary of Defense for International Security Affairs Mary Beth Long co-chaired the May 27 GSD in Washington. NEA/ARP Director Andrew Steinfeld, Deputy Advisor Chat Blakeman (S/I), Principal Deputy Coordinator Gerald Feierstein (S/CT), Acting Deputy Assistant Secretary Kenneth Staley (ISN), and NEA/IR Director Philo Dibble attended for State. Rear Admiral William Payne (CENTCOM), Special Assistant to Deputy Assistant Secretary of Defense Middle East Chris Straub, Brigadier General Ralph Baker (JS/J5), and Bruce Hardcastle (DIA) represented the Department of Defense. The Omani delegation was led by MFA Secretary General Sayyid Badr al-Busaidi and included Ambassador to the U.S. Hunaina bint Sultan bin Ahmad al-Mughairy, Deputy Chief of Arabian Department for GCC Affairs Salim al-Rawahi (MFA), Director of the Department of the Secretary General Humaid al-Maani (MFA), Head of Coordination Office Department of the Secretary General Abdulaziz al-Kharousi (MFA), and Defense Attache at Oman Embassy Washington Brigadier General Hilal Amur Hamood al Hajri.

Opening Statements

13. (C) AA/S Mull opened the meeting by reiterating that the

USG values its strong relationship with Oman and remains committed to maintaining peace and security in the Gulf. As President Bush pledged in his January State of the Union Address, "We will stand by our allies, and we will defend our vital interests in the Persian Gulf." Ambassador Mull noted that the President's recent trips to the region and the Secretary's upcoming visits underscore the importance the USG places on Middle East issues. ASD Long mentioned the success of the Secretary of Defense's recent trip to Oman.

14. (C) Badr noted Oman's unique position both geographically and strategically in its bilateral relations with other countries, emphasizing that Oman has no bilateral problems with any nations in the region. He acknowledged that at past rounds of the GSD, the USG and Oman have agreed to disagree regarding the threat posed by Iran, but highlighted that both countries have the same goal of regional security.

Regional Security

15. (S/NF) A/S Mull described the USG's four regional security priorities, namely Iran, Iraq, the Middle East peace process, and Lebanon. Badr acknowledged that Oman had three main goals concerning regional security. The first goal is collective security. This collective security depends on a

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common understanding within the GCC, as well as with regional actors such as Iran, Iraq, and Yemen, and regional allies including the United States. The second goal is to achieve a comprehensive, reasonable peace between Arab/Palestinians and Israel. The third goal is to establish a regional security status quo in the Indian Ocean that addresses the rise of China as a regional player. He was particularly interested in receiving briefs on the latter issue, to which ASD Long proposed OSD conduct a separate briefing on USG security policy for the Indian Ocean and China at the next GSD.

16. (S/NF) NEA/ARP Director Andrew Steinfeld said things were moving in the right direction regarding Lebanon, Iraq, and the Middle East peace process. Building on bilateral relationships and GCC 2 meetings were important to maintaining this progress.

Iran

17. (S/NF) DIA Senior Defense Intelligence Officer Bruce Hardcastle provided a detailed brief of the current state of Iran's missile program and outlined U.S. views on Iran's regional strategic objectives and its vulnerabilities.

18. (S/NF) Badr emphasized that the USG needs to find a better way to deal effectively and constructively with Iran and that dialogue and engagement with Iran are vital to other countries. These dialogues should not be contingent on pre-conditions, such as Iranian commitments to forswear enrichment capabilities. He proposed using dialogue on Iraq as a gateway to other discussions with the Iranians. He also suggested that it was possible that if a credible candidate emerged to oppose Ahmadinejad in the 2009 elections, that candidate may be more willing to engage the U.S.

19. (S/NF) NEA/IR Director Philo Dibble confirmed that the Secretary of State was willing to diplomatically engage Iran anytime provided it suspend enrichment activities. He agreed with the Omanis that an important political battle was going on in Iran. But he emphasized that the forces that Ahmadinejad represents will not disappear, even if he is voted out of office. Dibble also explained that there was a large amount of strategic ambiguity surrounding Iran's policies in the region and actions. Until the U.S. has clarity regarding Iran's actions, the only option for the

U.S. is to continue to build a relationship with the GCC regarding policy toward Iran.

¶10. (S/NF) Badr stated that Oman was in a unique situation in that, unlike its GCC neighbors, it did not feel threatened by Iran. Oman does not feel that Iran is meddling in its internal affairs and does not subscribe to the idea that Iran is seeking hegemonic influence in the region. He insisted that it was important to understand why Iran is taking the actions and pursuing the policies it is pursuing.

Lebanon

¶11. (S/NF) ARP Director Andrew Steinfeld reiterated U.S. concerns over Hizballah's recent destabilizing actions in Lebanon. The agreement in Doha represented a moral victory for the March 14 government and the official election of a president was a step in the right direction. He also emphasized that Lebanon needs clear international support via public statements and private messages.

¶12. (S/NF) Badr stated that Doha was a remarkable development and a good example of Arabs solving Arab problems. Efforts to get the Lebanese to participate in a democratic process should continue to be supported. He warned against interpreting the recent conflict in Lebanon as a "Hizballah versus us" conflict. It is important to remember that some of Hizballah are Lebanese who just want what is best for Lebanon.

Israel-Palestine Issues

¶13. (S/NF) Steinfeld stressed that the U.S. remained firmly committed to successfully supporting the Israeli-Palestinian negotiations and that progress in this arena was being made. Due to the private nature of the talks, this progress was not always easy to see. He urged the Omanis to actively support the Arab Peace Initiative not only by maintaining it, but also through proactive outreach to Israel.

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¶14. (S/NF) The Omanis acknowledged that a comprehensive peace in the region was unlikely unless the Israeli-Palestinian conflict was solved; although this would not resolve all contentious issues, it would have a large impact in diffusing them.

Iraq

¶15. (S/NF) ASD Long briefly described the Status of Forces Agreement (SOFA) and Strategic Framework Agreement that the U.S. is currently negotiating with Iraq. JS/J5 BG Ralph Baker described the security situation in Basrah, Mosul, and Sadr City, along with the progress of security programs like the Sons of Iraq. He acknowledged that there were some problems with corruption and sectarianism in Iraq's security forces, but said that the Iraqis were actively investigating cases in their internal affairs to decrease these elements via termination, discipline, and retirement.

¶16. (S/NF) Deputy Advisor to the Secretary for Iraq Blakeman described the political progress that is being made in Iraq. For example, there has been increased dialogue between the central government and the provinces, and the government has passed several key pieces of legislation including a pensions law, and the de-Bathification law. Additionally, Iraq intends to hold provincial elections by the end of the year. These acts help build the capacity of, and lend legitimacy to, the Maliki government. He noted that we are urging Iraq

to appoint Ambassadors to the region soon. In order to further establish legitimacy, Iraq must actively engage the region. Meanwhile, other countries in the region should not be content to wait and see how Iraq does, but must engage with Iraq.

¶17. (S/NF) Badr stated that there has been Arab involvement in Iraq and that Oman has supported Iraq from the beginning. Due to the security situation, Oman is unable to open an Embassy in Iraq at this time. However, he noted Oman was considering sending an economic mission to Iraq.

Enhanced Defensive Capabilities and Cooperation

¶18. (S/NF) Special Assistant Straub noted DOD's desire to rotate EAGLE RESOLVE planning, and highlighted the June Air Chief's Conference, where U.S. Air Force senior leaders will discuss Shared Early Warning and missile defense with air chiefs from the GCC countries. He commended Oman's decision to participate in the Air Chiefs Conference. CENTCOM RADM Payne outlined opportunities for Oman to participate in various "safe handling" regional exercises in 2009, and thanked Oman for its participation in past exercises. AA/S Mull underscored the USG desire to increase the Foreign Military Financing (FMF) funds allocated to Oman, with the hope of eventually to earlier funding levels. He noted that it would be important to remain in close communication regarding releasability issues for potential arms sales.

¶19. (S/NF) Badr stated that he was very satisfied with the level of cooperation on defense issues. He pointed to the Oman Joint Military Committee, noting that the meetings are well received, and adding that Oman will continue to participate in bilateral and regional military exercises whenever possible.

Counterterrorism

¶20. (S/NF) Badr thanked the U.S. for continued collaboration and intelligence sharing on counterterrorism issues. He views the Oman-U.S. relationship as very positive. He proposed that the U.S. could have workshops or conferences on ways to better address terrorist threats, arms smuggling, maritime security, Trafficking In Persons, drug trafficking, and human rights abuses.

¶21. (S/NF) S/CT PDAS Jerry Feierstein agreed with Oman's assessment of the bilateral relationship. He mentioned the robust training program with DS/ATA and agreed with the idea to hold CT-related workshops and seminars. He stated that biometric data collection will be increasingly important and welcomed Oman's participation in the upcoming Biometric Conference this fall.

¶22. (S/NF) Feierstein recalled that the USG had offered the TIP/PISCES program to Oman, but acknowledged that the Omani Government was looking into other options. Although Oman

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does not have a problem with its citizens traveling to Iraq to conduct terrorist operations, he asked that the government exercise scrutiny. The issue of foreign fighters traveling to Iraq, he stressed, is a regional concern. He urged that the Omani Government press Syria (as the major transit point) to take greater action to stop foreign fighters from entering Iraq.

¶23. (S/NF) Feierstein and Badr expressed mutual concern regarding the instability in Yemen and its potential for turning into a terrorist safe haven. Badr noted that economic integration between the North and South and corruption remain huge problems. Oman supports integrating Yemen more with the

GCC, either as a full fledged member or via a "special relationship," viewing this as a way to help steer Yemen away from instability. Feierstein requested Oman's continued cooperation in strengthening the border with Yemen.

¶24. (S/NF) More generally, Feierstein stated that the USG was heavily engaged in the issue of cash couriers and bulk cash smuggling. Another area of concern is the use of charitable organizations to raise money for terrorists. He asked that Oman, like other countries, take a good look at the charities operating in-country to ensure that money donated to them is not redirected into the hands of terrorists.

Counterproliferation

¶25. (S/NF) Acting ISN DAS Ken Staley thanked Oman for its participation in the PSI Fifth Anniversary Meetings and expressed an interest in engaging Oman more on transshipment, arms proliferation, and the Chemical Weapons Convention. He also encouraged Oman to sign the Global Initiative (GI), an issue Ambassador Walcott planned to raise during her trip in June. Badr requested more information on these issues and that we do so via the Omani Embassy in Washington, and the U.S. Embassy in Muscat.

Follow-Up

¶26. (S/NF) The U.S. delegation committed to provide Oman with copies of the 9010 Report on Iraq (when available) and the Report to Congress of the Military Power of the People's Republic of China. We also committed to provide information on the GI, CWC, and ISN's efforts to counter transshipment, including examples of model legislation that establishes legal frameworks for dealing with transshipment.

¶27. (S/NF) AA/S Mull and Badr concluded by expressing interest in continuing the dialogue before the end of the year, particularly to plan a way forward for the GSD under a new Administration. Subsequent to the meeting, the U.S. and Oman agreed on a joint press statement on the GSD meeting which can be found at www.state.gov/r/pa/prs/ps/2008/jun/105529.htm
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